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It's not just cottage cheese, it's everything

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Who is to blame for the shameful situation in which millions of Israeli workers – who earn about half what American workers earn – have to pay double for goods?

The greatest achievement of the "cottage cheese revolution" – the Facebook-initiated boycott of cottage cheese, is that for the first time Israeli consumers protested the exorbitant price of a consumer item and seem to have initiated a cost cutting revolution after three friends, convinced 90,000 outraged customers to boycott the purchase of cottage cheese.

For the first time, the silent, long suffering Israeli consumers – exploited by governments and politicians who cooperate with rapacious oligarchs, producers, retail chains, trade unions, importers and suppliers, kibbutzim and moshavim who plunder the consumer mercilessly by inflating the price of everything (so that cottage cheese here is double the price of American cottage cheese) – have raised the banner of revolt and said "enough."

Who is to blame for the shameful situation in which millions of Israeli workers – who earn about half what American workers earn – have to pay double for everything.

Who is to blame for the fact that hundreds of thousands of Israeli families can barely make ends meet? FIRST AND foremost it is our politicians.

Not only have MKs the gall to levy high regressive indirect taxes on the puny salaries Israelis earn, they also make it possible for the monopolies owned by the oligarchs to exploit the public by legislating laws that enable them while undermining price cutting reforms.

Most ministers also do little or nothing to protect the public. An outstanding exception, Minister of Communications Moshe Kahlon, has been courageous in stopping the telecommunications industry from ripping off the public, charging many hundreds of millions, if not billions, in excess invented "fees."

Kahlon stands out because most of his colleagues do so little to fight the monopolies that strangle us.

Ministers not only helped fashion, they also perpetuate our distorted economic system, betraying the public by allowing the many monopolistic practices because their owners help them recruit voters for their primaries or help finance them.

Prime Minister Binyamin Netanyahu knew what he was saying to his ministers when he exhorted them to follow the Kahlon example and find creative ways to get price cutting reforms enacted and implemented.

As for Knesset members, too many of them work for the oligarchs' lobbyists to secretively undermine reforms by introducing competition damaging clauses into almost every law. Only by creating a counter-lobby that will

publicly expose their secretive plots can they be shamed to stop such nefarious practices.

Regulators, who are ostensibly appointed by government to protect the public betray it too. They are overly "sensitive" to political pressure and are reluctant to take on the oligarchs. They have done only the minimum possible to defend the public from the excessive fees charged by the banks for decades now, or to protect the public's pensions by making sure that financial institutions do not make high risk loans to few oligarchs.

They have let directors appointed to look out for the public interest to renege on their duty and serve the oligarch's interests.

Our regulators, mostly former bureaucrats or academics, live in a virtual world. They love to split legal hairs as an excuse for doing nothing to change the status quo.

They block common sense reforms because they do not fit some abstract notions they invented in the academia. Much of their energy is wasted on turf wars. Regulation costs the economy many millions.

It levies high costs and retards the progress of enterprise. It has seldom succeeded in preventing major crises, in Israel as in the world at large, yet so many call for more stringent regulation where regulation has already failed.

The cottage cheese crisis also exposed the illusion that the moshavim and the kibbutzim, though proven as disastrous social and economic failures, could still serve as model for decent economic practices, in contrast to "piggish capitalism."

The government-sanctioned milk producing monopoly that is dominated by the kibbutzim and moshavim has been practicing price gouging. Their members must be well aware that those who suffer most from inflating the price of milk are the poorest families. "Over our dead bodies," the kibbutz and moshav apparatchiks who run the milk monopoly asserted when informed that the government may sanction the importation of milk in order to promote competition and reduce prices. So much for social consciousness.

ANOTHER LOST illusion was the belief that Diaspora investors will bring with them more equitable and competitive standards of economic behavior. Alas the diaspora investors in Apax, which bought Tnuva, were only too happy to make exorbitant monopolistic profits rather than establish standards of decent business behavior. They are no exception. Many prominent diaspora investors have chosen to join existing local cartels instead of funding new players and increasing competition and efficiency of Israeli business.

Last but not least was the dispelling of the illusion that introducing more women into the highest echelons of Israeli business would make it more humane.

Women could indeed make a great difference but not if they decide like Ofra Strauss, the president of the Strauss food conglomerate and Zahavit Cohen, Tnuva's Chairperson to compete with men in who is more rapacious.

It may be salutary that certain illusions have been dispelled. It may make the Israeli consumer realize that he must rely on himself, that he must demand from his politicians reforms that will protect him from abuse by the oligarchs who are united against his most basic right: a chance at a fair, decent living.

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